



GRAIN & LIVESTOCK REPORT

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MARKET ANALYSIS - February 05, 2004University of MD Cooperative Extension

Soybean futures were extremely active last week experiencing a 50-cent trading range but finished the week 20 lower on the nearby contract and 8 lower on the harvest (November) contract. Indeed, the entire soy complex has experienced a sizeable correction this week mainly due to the negative poultry flu demand news in Asia. By the middle of this week soybeans started to recover some of the losses (they continued to be sold off on Monday due to the idea that the market is not trading tight domestic fundamentals), and the buying was triggered by the idea that there might be a reduction in stocks in next Tuesday’s USDA report. Also firmer basis levels were seen throughout the U.S. simply because of icy river conditions in Illinois. More soybean support was seen by Thursday when the prospect of further regulations concerning animal feed resurfaced. On a positive note, it is generally recognized that Chinese soybean traders recognize just how tight the U.S. soybean supply is and cold weather in the central U.S. is continue for another 10 days. Tuesday was a recovery day in the corn market because the funds basically repurchased everything they sold the previous day, and so prices are just staying in a relatively tight trading range. Fundamental news is what is required to break out of the range and this came in part by news on the icy rivers and possible crop losses in South Africa. But, of course, the bears kept things in check by reacting to the bird flu in Asia and historically high ocean freight rates. Added to this mix were more forecasts of rain in Argentina which bolster’s the chance of a better crop. Prices can’t go too far south because world corn supply and demand balances are at a record tight level. Wheat started this week on a very strong footing thanks to a strong performance last Friday. Other than that, this week, there has been little to go on. The market will continue to watch weather developments over the next week in some of the drier areas of the HRW belt as another winter storm is expected. This market is however at the mercy of the bears and although fundamentals are not all that bad, because there is little news to trade off, selling is the path of least resistance. Finally, there are some seasonal tendencies to be aware of. March beans tend to rally after the Feb USDA report and the slide back again straight after and ahead of March deliveries and the bulk of the South American harvest. For corn, there is a tendency to rally ahead of this report and then make for a bigger break into the end of the month. My advice – don’t bet the house on this – these are certainly not guaranteed to happen – they just do most of the time.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH(Mar04)	NEW(Dec04)	CASH(Mar04)	NEW(Nov04)	CASH(Mar04)	NEW(Jul04)
Western MD	+30	N/A	-53	N/A	-43	N/A
Central MD	+23	+10	-26	-41	N/A	-20
Southern MD	+20	Even	-20	-25	N/A	-30
Upper E. S	+28	+5	-15	-25	N/A	-25
Lower E. S	+35	+12	-6	-34	N/A	-28

WEEKLY CROP WEATHER SUMMARYMARYLAND AGRICULTURAL STATISTICS SERVICE

The Weekly Crop Weather Summary will resume in April 2004

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES									
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley		
Date	01/28	02/04	01/28	02/04	01/28	02/04	01/28	02/04	
Western Md	2.92	3.00	7.56	7.53	3.33	3.33	2.58	2.63	
Central MD	2.93	2.93	7.77	7.80	3.50	----	2.55	2.55	
Southern MD	2.89	2.90	7.85	7.86	----	----	----	1.50	
Upper E. Shore	2.96	2.98	7.90	7.91	----	----	----	1.60	
Lower E. Shore	3.04	3.05	7.97	8.00	----	----	----	1.59	
Soybean Meal Lower Eastern Shore Dealer's Average Cash Quotes (\$/ton)									
Date	1/28		02/04		Date		1/28		02/04
48% Soybean Meal	279.00				44% Soybean Meal		267.00		267.00
FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quote									
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley		
Date	01/28	02/04	01/28	02/04	01/28	02/04	01/28	02/04	
Western Md	----	----	----	----	----	----	----	----	
Central MD	2.73	2.80	6.17	5.96	3.56	3.57	----	----	
Southern MD	2.68	2.70	6.27	6.12	3.44	3.47	1.45	1.45	
Upper E Shore	2.73	2.75	6.27	6.12	3.47	3.52	1.55	1.55	
Lower E Shore	2.80	2.82	6.36	6.71	3.46	3.49	1.53	1.55	
GRAIN FUTURES - Chicago Board of Trade (cents/bu) -Feb 04, 2004									
Corn		Soybeans		Wheat		Soybean Meal ¹			
Mar	270.25	Mar	805.75	Mar	376.00	Mar	247.00		
May	275.25	May	805.75	May	382.50	May	246.50		
Jul	278.25	Jul	792.00	Jul	377.25	Jul	242.40		
Sep	272.50	Aug	760.50	Sep	381.50	Aug	233.00		
Dec	270.00	Sep	706.50	Dec	390.50	Sep	219.30		
Mr05	273.50	Nov	636.50			Oct	190.00		

¹ \$/ton

HAY AND STRAW (\$/cwt)					
New Holland, PA - \$/ton - Feb 02, 2004 -133 Loads					
Alfalfa	Mixed	Timothy	Orchardgrass	Straw	
75.00-185.00	82.00-230.00	120.00-240.00	50.00-195.00	115.00-215.00	
Westminster, MD - \$/bale - Feb 03, 2004 - 27 Lots					
Alfalfa	Timothy	Timothy (Mixed)	Grass	Straw	
.60-1.50	2.10	1.30-1.50	.70-2.50	2.00	
Southern, MD - Regional Farmers' Market - \$/bale -					
Next Sale					
February 7, 2004					
POULTRY (Grade A) - Week Ending Feb 07, 2004 - Negotiated Price, (\$/cwt)					
	Current Week	Week Ago	Month Ago	Year Ago	
NY Wtd Avg. (Fryers)	77.17	73.58	62.57	56.39	
12-City Composite	74.90	72.54	65.57	60.13	
LAMBS - Westminster, MD - \$/cwt - Feb 07, 2004					
Medium-Good	80-100 lbs	97.00-110.00	Sheep	46.00-50.00	
TERMINAL MARKETS HOGS - Feb 05, 2004			DIRECT MARKET HOGS - Westminster, MD- Feb 03, 2004		
Base Price Range	Carcass Basis	Sows (1-3)	NONE		
a.m.	Base 185 lb Hog	300-449 lbs			
Eastern Cornbelt	51.00-57.70	26.50-36.99	Millsboro, DE Market Hogs - (\$/cwt) - \$35.00-37.00		
Iowa, Minn	54.50-61.00	25.50-36.53			
FEEDER PIGS - (\$/cwt) -					
Gumboro, DE -			New Holland, PA - Feb04, 2004		
Head:	Trend:		Head: 314	Trend: Most went to slaughter	
	NO SALE THIS WEEK			40-46 lbs 80.00-87.00	
	NEXT SALE 2/17/04				
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jan 29, 2004			HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jan 29, 2004		
Feb	74.82	Aug	70.95	Feb	59.42
Apr	71.37	Oct	74.20	Apr	58.87
Jun	68.42	Dec	76.12	Mav	60.65
				Jun	64.60
				Jul	61.47
				Aug	59.65
STOCKER-FEEDER CATTLE - (\$/cwt)					
Winchester, VA - Feb 02, 2004			Westminster, MD - Feb 03, 2004		
Steers	300-400 lbs	102.00-120.00	Steers	550-780 lbs	79.00- 80.00
	400-500 lbs	97.00-108.00			
	500-600 lbs	92.00-101.00	Bulls returning to farm		
	600-700 lbs	83.25- 90.75	#1	94-118 lbs	135.00-160.00
	700-800 lbs	76.00- 82.00		88- 92 lbs	105.00-140.00
	800-900 lbs	75.00- 80.00	#2	94-120 lbs	100.00-132.00
Heifers	300-400 lbs	93.50-117.00	Heifers	80-105 lbs	150.00 175.00
	400-600 lbs	89.50-100.00			
	500-600 lbs	87.50- 94.00			
	600-700 lbs	83.75- 84.10			
Lancaster, New Holland & Vintage - Week Ending - Feb 07, 2004					
Bull, Holstein	90-120 lbs	145.00-185.00	Plainer	90-120 lbs	137.00-167.00
Heifers, Hols	90-120 lbs	300.00-360.00	Plainer	90-120 lbs	200.00-280.00
SLAUGHTER CATTLE (\$/cwt)					
Westminister, MD - Feb 02, 2004					
Fed Steers			Fed Heifers		
Hi-Ch	1300-1500 lbs	80.00-81.50	Hi-Ch	1150-1300 lbs	76.00-78.50
	1500-1600 lbs	73.50-76.00			
Cows					
Breakers		42.00-46.00			
Boners		38.00-42.00			
Lean		35.00-39.00			
Thin & Light		35.00-DOWN			
Lancaster, New Holland & Vintage - Week Ending - Feb 07, 2004					Trend
Steers, Choice, 2-3	1115-1490 lbs	76.00-80.25	\$7- \$8 lower		
Heifers, Choice	1315-1555 lbs	70.00-73.25	No trend		
Cows, Breakers 75-80 pct lean		47.00-51.50	\$2 - \$4 lower		
Bulls, YG 1	1130-1250 lbs	54.00-61.25	No trend		
Calves, Standard & Good	60- 110 lbs	30.00-65.00	\$20 - \$30 lower		

For more information about this report, call 410-841-5740 or write:

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